

**RESOLUTION NO. 75366**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY AUDITOR TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH MACIAS GINI & O'CONNELL, LLP, TO PERFORM ANNUAL FINANCIAL AND COMPLIANCE AUDIT SERVICES FOR FISCAL YEARS ENDING JUNE 30, 2010, 2011 AND 2012, WITH TWO ONE-YEAR EXTENSION OPTIONS FOR FISCAL YEARS ENDED JUNE 30, 2013 AND 2014, FOR A FEE NOT TO EXCEED \$495,554 FOR EACH FISCAL YEAR 2010-2011 AND 2011-12, AND WITH ANNUAL INCREASES ADJUSTED BY THE CPI FOR EACH SUBSEQUENT FISCAL YEAR, FOR A TOTAL AMOUNT NOT TO EXCEED \$2,631,455 FOR THE POTENTIAL FIVE-YEAR TERM, SUBJECT TO ANNUAL APPROPRIATION OF FUNDS BY THE CITY COUNCIL**

**WHEREAS**, the Auditor of the City of San Jose ("City") initiated a Request for Proposals ("RFP") to select a firm to provide financial and compliance audit services for, among others, the City, the Redevelopment Agency, the Federated City Employees' Retirement System and the Police and Fire Department Retirement Plan; and

**WHEREAS**, Macias Gini & O'Connell, LLP ("MGO") has conducted the annual financial and compliance audits of the City and related entities for the past ten years, the contract with MGO ended on April 30, 2010; and

**WHEREAS**, City received more than 100 inquiries and clarification requests, and only six proposals were received by the due date of March 29, 2010; and

**WHEREAS**, the RFP team found MGO to be highly qualified and recommends that MGO be awarded the contract to perform the City's general Annual Financial and Compliance Services for fiscal years 2009-2010, 2010-2011 and 2011-2012, with two one-year extension options for fiscal years ended June 30, 2013 and 2014; and

**WHEREAS**, the maximum compensation payable to MGC over the term of the contract, including the two option periods, if exercised, is not to exceed \$2,631,455;

**NOW, THEREFORE**, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Auditor is authorized to negotiate and execute an agreement with Macias Gini and O'Connell, LLP, to perform Annual Financial and Compliance Audit Services for fiscal years ending June 30, 2010, 2011 and 2012, and with two one-year extension options for fiscal years ended June 30, 2013 and 2014, for a fee not to exceed \$495,554 for each fiscal year 2010-11 and 2011-12, and with annual increases adjusted by the CPI for each subsequent fiscal year, for a total amount not to exceed \$2,631,455 for the potential five-year term, subject to annual appropriation of funds by the City Council.

ADOPTED this 4th day of May, 2010, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, HERRERA,  
KALRA, NGUYEN, OLIVERIO, PYLE; REED.

NOES: NONE.

ABSENT: LICCARDO.

DISQUALIFIED: NONE.

ATTEST:



LEE PRICE, MMC  
City Clerk

  
CHUCK REED  
Mayor